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CENTRAL INTELLIGENCE AGENCY
WASHINGTON, D.C. 20505

Executive Registry

75-3569

31 JUL 1975

MEMORANDUM FOR: The Honorable Henry A. Kissinger
Assistant to the President for
National Security Affairs

SUBJECT: CIA Information Provided Senator
Bentsen on Soviet Funding of
Portuguese Communist Party

1. I am sending you the material below to set the record straight on what this Agency stated to Senator Bentsen on the subject of Soviet financial support for the Portuguese Communist Party, and on what we have received and disseminated in official classified reports and memoranda.

2. On 17 July a staff aide to Senator Lloyd Bentsen of Texas called our Legislative Counsel to inquire about press reports purporting to reveal specific sums of money provided the Portuguese Communist Party by the Soviet Union. She cited one press story that claimed ten million dollars a month was being given the Portuguese party by the Soviets.

3. On the basis of careful research by a knowledgeable analyst, the aide was informed that this Agency has no direct knowledge of sums actually furnished nor any reliable data on which to base an estimate. We noted that press reports we had seen cited sums as low as three million dollars and as high as fourteen million dollars a month going from Moscow to Lisbon at various times, but we declined to speculate which, if any, of these figures might be accurate. We specifically cautioned that the Agency has neither reliable information nor firm estimates of its own.

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4. Senator Bentsen's aide nevertheless gave him figures which she ascribed to the Agency and which led him to state to the press that CIA had told him the Soviets are providing ten million dollars a month to the Portuguese communists. The Senator is deeply chagrined and has expressed profound regret to us for what he acknowledged to have been an error by his staff.

5. In our classified finished intelligence reporting on developments in Portugal we have referred--in a long analytical article published April 4, 1975--to the Portuguese communists' having received "funds from the Soviet Union--reportedly as much as fifty million dollars," but we did not cite this article nor this figure in our response to Bentsen's inquiry.

6. In my own reports to Congress under the Foreign Assistance Act, I have responded to questions on this subject with the statement that we have seen reports indicating that the Soviets may have provided as much as fifty million dollars in over-all funding to the Portuguese party.

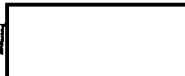
7. In a memorandum we sent to Secretary Schlesinger on May 13, we noted that "published estimates of the PCP campaign chest range from fifteen million to fifty million dollars."

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9. You may have heard references to statements by General Walters purporting to support Senator Bentsen's figures. The facts are these:

--When asked by newsmen about Soviet funding, he responded that such payments are made in cash and are therefore very difficult to trace.

--When challenged to confirm or refute Bentsen's statement to the press, he replied, "Far be it from me to question the word of a U.S. Senator."

10. I hope this information will be of help to you in dealing with a most regrettable development and put to rest any doubts about our role in it.

W. E. Colby

W. E. Colby
Director

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